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(e) Provide advice and recommendations to procurement and contract administration personnel on:

(1) Acceptability of costs incurred under redeterminable, incentive and similar type contracts.

(2) Acceptability of incurred costs and estimates of cost to be incurred as represented by contractors incident to the award, negotiation, modification, change, administration, termination, or settlement of contracts.

(3) Adequacy of financial or accounting aspects of contract provisions.

(4) Adequacy of contractors' accounting and financial management systems, adequacy of contractors' estimating procedures and adequacy of property controls.

(f) Assist responsible procurement or contract administration activities in their surveys of the purchasing-procurement systems of major contractors.

(g) Direct audit reports to the Government management level having authority and responsibility to take action on the audit findings and recommendations.

(h) Cooperate with other appropriate Department of Defense components on reviews, audits, analyses, or inquiries involving contractors' financial position or financial and accounting policies, procedures, or practices.

(i) Establish and maintain liaison auditors as appropriate at major procuring and contract administration offices.

(j) Review General Accounting Office reports and proposed responses thereto which involve significant contract or contractor activities for the purpose of assuring the validity of appropriate pertinent facts contained therein.

(k) In an advisory capacity, attend and participate, as appropriate, in contract negotiation and other meetings which contract cost matters, audit reports, or related financial matters are under consideration.

(l) Provide assistance, as requested in the development of procurement policies and regulations.

(m) Perform such other functions as the Assistant Secretary of Defense (Comptroller) may from time to time prescribe.

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§ 387.5 Authority.

The Director, DCAA, is specifically delegated authority to:

(a) Have free and unrestricted access to and direct communication with all elements of the Department of Defense and other executive departments and agencies as necessary.

(b) Establish Defense Contract Audit Agency facilities using appropriate established physical facilities and services of other DoD components whenever practicable to achieve maximum efficiency and economy.

(c) Obtain such information, consistent with the policies and criteria of DoD directive 5000.19,¹ advice, and assistance from DoD components as he deems necessary.

(d) Exercise the administrative authorities contained in § 387.8 of this part.

[43 FR 32755, July 28, 1978. Redesignated and amended at 58 FR 39360, July 22, 1993]

§ 387.6 Relationships.

(a) In the performance of his functions, the Director, DCAA, shall:

(1) Maintain appropriate liaison with other components of the DoD, other agencies of the executive branch, and the General Accounting Office for the exchange of information and programs in the field of assigned responsibilities.

(2) Make full use of established facilities in the Office of the Secretary of Defense, other DoD components, and other governmental agencies rather than unnecessarily duplicating such facilities.

(3) The military departments and other DoD components shall provide support, within their respective fields of responsibility, to the Director, DCAA to assist in carrying out the assigned responsibilities and functions of the Agency. Programing, budgeting and financing for such support will be in accordance with policies and procedures prescribed by the Assistant Secretary of Defense (Comptroller).

(b) Procurement and contract administration activities of the DoD components shall utilize audit services of the

¹Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

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DCAA to the extent appropriate in connection with the negotiation, administration, and settlement of contract payments and prices which are based on cost (incurred or estimated), or on cost analysis.

§ 387.7 Administration.

(a) The Director, DCAA, shall be a civilian selected by the Secretary of Defense.

(b) The appointment of other personnel to the Agency will be subject to the approval of the Director, DCAA.

(c) DCAA will be authorized such personnel, facilities, funds, and other administrative support as the Secretary of Defense deems necessary.

§ 387.8 Delegations of authority.

Pursuant to the authority vested in the Secretary of Defense, and subject to his direction, authority, and control, and in accordance with DoD policies, directives, and instructions, the Director, DCAA, or, in the absence of the Director the person acting for him, is hereby delegated authority as required in the administration and operation of DCAA to:

(a) Exercise the powers vested in the Secretary of Defense by 5 U.S.C. 301, 302(b) and 3101 pertaining to the employment, direction and general administration of DCAA civilian personnel.

(b) Fix rates of pay for wage board employees exempted from Civil Service classification by 5 U.S.C. 5102(c)(7) on the basis of prevailing rates for comparable jobs in the locality where each installation is located.

(c) Establish advisory committees and employ part-time advisers pursuant to the provisions of 10 U.S.C. 173, 5 U.S.C. 3109(b), the Federal Advisory Committee Act, and the Agreement between the Department of Defense (DoD) and the Civil Service Commission on employment of experts and consultants, dated March 14, 1975.

(d) Administer oaths of office incident to entrance into the executive branch of the Federal Government or any other oath required by law in connection with employment therein, in accordance with the provisions of 5 U.S.C. 2903, and designate in writing, as

may be necessary, officers and employees of DCAA to perform this function.

(e) Establish a DCAA incentive awards board and pay cash awards to, and incur necessary expenses for the honorary recognition of civilian employees of the Government whose suggestions, inventions, superior accomplishments or other personal efforts, including special acts or services, benefit or affect DCAA or its subordinate activities in accordance with the provisions of 5 U.S.C. 4503 and Civil Service regulations.

(f) In accordance with the provisions of 5 U.S.C. 7532; Executive Order 10450, dated April 27, 1953, as amended; and DoD directive 5210.7, "Department of Defense Civilian Applicant and Employee Security Program," September 2, 1966:

(1) Designate any position in DCAA as a "sensitive" position;

(2) Authorize, in case of an emergency, the appointment of a person to a sensitive position in the Agency for a limited period of time for whom a full field investigation or other appropriate investigation, including the National Agency Check, has not been completed; and

(3) Authorize the suspension, but not to terminate the services of an employee in the interest of national security in positions within DCAA.

(g) Clear DCAA personnel and such other individuals as may be appropriate for access to classified Defense material and information in accordance with the provisions of DoD directive 5210.8, "Policy on Investigation and Clearance of DoD Personnel for Access to Classified Defense Information," February 15, 1962, and of Executive Order 11652, dated March 8, 1972, as amended.

(h) Act as agent for the collection and payment of employment taxes imposed by chapter 21 of the Internal Revenue Code of 1954 and, as such agent, make all determinations and certifications required or provided for under section 3122 of the Internal Revenue Code of 1954 and section 205(p) (1) and (2) of the Social Security Act, as amended (42 U.S.C. 405(p) (1) and (2)) with respect to DCAA employees.

(i) Authorize and approve overtime work for DCAA civilian officers and